

Message Text

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C O R R E C T E D C O P Y (TEXT)

PASS BOEKER/EB AND FELDMAN/L; COMMERCE FOR KATZ, ARRILL/PIEPR;
TREASURY FOR CLAPP; LABOR FOR AVERY

E.O. 11652: N/A

TAGS: EINV, ELAB

SUBJECT: ILO - TRIPARTITE ADVISORY PREPARATORY MEETING
ON THE RELATIONSHIP
OF MULTINATIONAL ENTERPRISES AND SOCIAL POLICY

REF: GENEVA 1998

1. SUMMARY. THE DRAFTING GROUP WAS SUCCESSFUL IN COMPLETING
REVIEW OF ALL SUBSTANTIVE POINTS AS WELL AS EXTENSIVE DISCUSSION
OF THE GENERAL PROVISIONS ON THE BASIS OF WHICH INITIAL SECRE-
TARIAT DRAFT HAS BEEN PREPARED (SEE REFTEL). FULL AD REFEREN-
DUM TEXT OF SUBSTANTIVE POINTS INCLUDING SOME NEW PROPOSALS BY
WORKERS SIDE IS INCLUDED. PROSPECTS NOW APPEAR GOOD THAT RELA-
TIVELY CLEAN TEXT WILL BE READY FOR TRIPARTITE COMMITTEE.

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SINGLE MOST CONTENTIOUS ISSUE REMAINING, WHICH SURFACED LATE IN
MEETING, IS WORKERS DETERMINATION TO PRESS FOR EARLY AND POST-
TIVE CONSIDERATION OF ILO FOLLOW-UP PROCEDURES. THUS, RESULT OF
WEEK'S WORK IS FULL, LARGELY AGREED TEXT, WHICH WITH SOME FURTHER
POLISHING AND FINE-TUNING SHOULD MEET ALL OUR MAJOR OBJECTIVES
IN PARTICIPATING IN THE EXERCISE AND HAVE STRONGLY FAVORABLE IM-
PACT FROM US VIEWPOINT ON BROADER MNE CODE CONSIDERATION TAKING

PLACE UNDER THE AUSPICES OF THE UN COMMISSION ON TRANSNATIONAL ENTERPRISES. END SUMMARY.

2. DRAFTING GROUP, OPERATING IN ATMOSPHERE OF GENERALLY HARMONIOUS GIVE AND TAKE, MADE MAJOR PROGRESS ON PRODUCTION OF AGREED DRAFT. MOST SIGNIFICANT AREAS OF CONTENTION APPEAR CLOSE TO RESOLUTION NAD THE PROSPECTS FOR PRODUCING RELATIVELY CLEAN DRAFT FOR SUBMISSION TO THE TRIPARTITE ADVISORY COMMITTEE FOLLOWING ONE MORE DRAFTING SESSION BETWEEN MARCH 28 - APRIL 1 APPEAR MUCH BIRGHTER THAN THEY DID A WEEK AGO.

3. USREP PROPOSED LANGUAGE WAS ACCEPTED AT A NUMBER OF KEY POINTS AND THE RESULTING AD REFERENDUM DRAFT ON THE SUBSTANTIVE POINTS HAS FEW BRACKETS AND FALLS WELL WITHIN THE PARAMETERS OF THE USG POSITION PAPER.

4. THE INITIAL TWO DAYS OF THE MEETING WERE SPENT IN A DISCUSSION OF GENERAL PRINCIPLES ON BASIS OF WHICH SECRETARIAT PREPARED TEXT CABLED REFTTEL. THERE WAS NO TIME TO FORMALLY REVIEW THIS TEXT; HOWEVER, INFORMAL DISCUSSION INDICATES IT IS BROADLY ACCEPTED BY ALL SIDES, ALTHOUGH SOME RECOMMENDATIONS OFR DRAFTING CHANGES AND SUPPLEMENTARY POINTS CAN BE EXPECTED AT THE NEXT DRAFTING GROUP MEETING.

5. PRINCIPAL DIFFICULTY ENCOUNTERED WAS ON BASIS OF EXTENSIVE NEW MATERIAL SUBMITTED BY WORKER SIDE, LARGELY WITH REGARD TO INDUSTRIAL RELATIONS AND EMPLOYMENT SECTION. AFTER EXTENDED DEBATE THE GROUP WAS ABLE TO ACCOMMODATE IN AN AGREED MANNER MANY OF THE CONSIDERATIONS REFLECTED IN THAT MATERIAL. IN CERTAIN UNCLASSIFIED

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INSTANCES WEREE THIS WAS NOT POSSIBLE IT WAS AGREED SIMPLY TO TAKE WORKER LANGUAGE HOME FOR CONSIDERATION WITH NO INDICATION THAT IT COULD BE ACCEPTED. US AND OTHER GOVERNMENT REPRESENTATIVES PARTICULARLY EMPHASIZED AD REFERENDUM NATURE OF ANY MATERIAL WHICH HAD BEEN PRESENTED FOR THE FIRST TIME DURING THE WEEK.

6. AT CLOSE OF MEETING LATE FRIDAY EVENING, HEAD OF WORKER GROUP BARTON NOTED THAT THEY ALSO INTENDED TO RAISE ISSUE OF ILO FOLLOW-UP PROCEDURES AT NEXT DRAFTING GROUP MEETING, INCLUDING POSSIBLE CONSULTATIVE MECHANISM. PURPOSE WAS TO ALLOW "IMPLEMENTATION" OF ILO DECLARATION OF PRINCIPLES BY ORGANIZATION IN WHICH LABOR WOULD HAVE IMPORTANT ROLE. IN LATER INFORMAL DISCUSSION WITH WORKER REPS AND SECRETARIAT (STOERMANN), USREP EXPRESSED SURPRISE AND DISMAY THAT LABOR INTENDED TO RAISE THIS ISSUE, WHICH IN OUR VIEW IS CLEARLY OUTSIDE THE MANDATE TO RPRODUCE AN INPUT INTO THE UN CODE EXERCISE. HE INDICATED THAT OUR COMMENTS WOULD BE ALONG THE LINE THAT CONSIDERATION OF ILO FOLLOW-UP PROCEDURES ARE UNCALLED FOR. STOER-

MANN AND BARTON TOOK POSITION THAT SUCH CONSIDERATION WAS UNAVOIDABLE IN THE TRIPARTITE PLENARY MEETING IN APRIL, AND THAT IN THE ABSENCE OF SOME AGREEMENT IN THIS AREA THERE WOULD BE STRONG PRESSURE FOR UPTTING THE MNE ITEM ON THE AGENDA OF THE 1979 CONFERENCE WVHICH WOULD AFFORD CERTAIN G-77 MEMBER COUNTRIES

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OPPORTUNITY FOR UPSETTING RESULTS OF DRAFTING GROUP AND PERHAPS ABORT WHOLE ILO EXERCISE. BARTON SIAD IT WAS IMPORTANT TO AVOID THIS OUTCOME WHICH HE CALLED HIGHLY PRIDICATBLE AND URDED THAT WE CONSULT ON THIS ISSUE NEXT WEEK WITH THE US MEMBERS OF THE GOVERNING BOARD.

7 VERBATIM TEXT FOLLOWS:

BEGIN TEXT

1. MULTINATIONAL ENTERPRISES PLAY AN IMPORTANT PART IN THE ECONOMIES OF MOST COUNTRIES AND IN INTERNATIONAL ECONOMIC RELATIONS, WHICH IS OF INCERASING INTEREST TO GOVERNMENTS AS WELL AS TO EMPLOYERS AND WORKERS AND THIER PRSPECTIVE ORGAN-
ISATIONS. THROUGH INTERNATIONAL DIRECT INVESTMENT AND OTHER MEANS, SU
CH
ENTERPRISES CAN BRING SUBSTANTIAL
BENEFITS TO HOME AND HOST COUNTRIES BY CONTRIBUTING TO THE
EFFICIENT UTILISATION OF CAPTIAL, TECHNOLOGY AND LABOUR.
THEY CAN ALSO MAKE AN IMPORTANT CONTRIBUTION TO THE PROMOTION

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OF ECONOMIC AND SOCIAL WELFARE, WITHIN THE FRAMEWORK OF DEVELOPMENT POLICIES ESTABLISHED BY GOVERNMENTS; TO THE IMPROVEMENT OF LIVING STANDARDS AND THE SATISFACTION OF BASIC NEEDS; TO THE CREATION OF EMPLOYMENT OPPORTUNITIES, BOTH DIRECTLY AND INDIRECTLY; AND TO THE ENJOYMENT OF BASIC HUMAN RIGHTS THROUGHOUT THE WORLD. ON THE OTHER HAND, THE ADVANCES MADE BY MULTINATIONAL ENTERPRISES IN ORGANISING THEIR OPERATIONS BEYOND THE NATIONAL FRAMEWORK MAY LEAD TO ABUSE OF CONCENTRATIONS OF ECONOMIC POWER AND TO CONFLICTS WITH NATIONAL POLICY OBJECTIVES AND WITH THE INTEREST OF THE WORKERS. IN ADDITION, THE COMPLEXITY OF MULTINATIONAL ENTERPRISES AND THE DIFFICULTY OF CLEARLY PERCEIVING THEIR DIVERSE STRUCTURES, OPERATIONS AND POLICIES SOMETIMES GIVE RISE TO CONCERN EITHER IN THE HOME OF IN THE HOST COUNTRIES OR IN BOTH.

2. THE AIM OF THIS TRIPARTITE DECLARATION OF PRINCIPLES IS TO ENCOURAGE THE POSITIVE CONTRIBUTION WHICH MULTINATIONAL ENTERPRISES CAN MAKE TO ECONOMIC AND SOCIAL PROGRESS AND TO MINIMISE AND RESOLVE THE DIFFICULTIES TO WHICH THEIR VARIOUS OPERATIONS MAY GIVE RISE.

3. THIS AIM WILL BE FURTHERED BY APPROPRIATE LAWS AND POLICIES, MEASURES AND ACTIONS ADOPTED BY THE GOVERNMENTS, THE EMPLOYERS' AND WORKERS' ORGANISATIONS OF BOTH HOME AND HOST COUNTRIES AND BY THE MULTINATIONAL ENTERPRISES THEMSELVES, AS WELL AS BY CO-OPERATION AMONG THE GOVERNMENTS AND THE EMPLOYERS' AND WORKERS' ORGANISATIONS OF ALL COUNTRIES.

4. THE PRINCIPLES SET OUT IN THIS TRIPARTITE DECLARATION ARE COMMENDED TO THE GOVERNMENTS, THE EMPLOYERS' AND WORKERS' ORGANISATIONS OF HOME AND HOST COUNTRIES AND TO THE MULTINATIONAL ENTERPRISES THEMSELVES. THEY LAY DOWN STANDARDS FOR THE SOCIAL POLICIES AND ACTIVITIES OF THESE GOVERNMENTS, ORGANISATIONS AND ENTERPRISES.

5. THESE PRINCIPLES ARE INTENDED TO HELP THE GOVERNMENTS, THE

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EMPLOYERS' AND WORKERS' ORGANISATIONS AND THE MULTINATIONAL ENTERPRISES TO TAKE SUCH MEASURES AND ACTIONS AND ADOPT SUCH SOCIAL POLICIES INCLUDING THOSE BASED ON THE PRINCIPLES LAID DOWN IN THE CONSTITUTION AND THE RELEVANT CONVENTIONS AND RECOMMENDATIONS OF THE ILO, AS WOULD FURTHER SOCIAL PROGRESS. THEY SHOULD

ALSO HELP COUNTRIES TO DEVELOP APPROPRIATE FORMS OF CO-
OPERATION AMONG THEMSELVES WITH A VIEW TO FURTHERING THE AIM
OF THIS TRIPARTITE DECLARATION.

DEFINITION

6. TO SERVE ITS PURPOSE THIS TRIPARTITE DECLARATION DOES NOT
REQUIRE A PRECISE LEGAL DEFINITION OF MULTINATIONAL ENTERPRISES.
THESE INCLUDE ENTERPRISES WHICH OWN OR CONTROL PRODUCTION,
DISTRIBUTION, SERVICES OR OTHER FACILITIES OUTSIDE THE COUNTRY IN
WHICH THEY ARE BASED. THE DEGREE OF AUTONOMY OF EACH ENTITY IN
RELATION TO THE OTHERS VARIES WIDELY FROM ONE MULTINATIONAL
ENTERPRISE TO ANOTHER, DEPENDING ON THE NATURE OF THE LINKS
BETWEEN SUCH ENTITIES AND THEIR FIELDS OF ACTIVITY AND HAVING
REGARD TO THE
GREAT DIVERSITY IN THE FORM OF OWNERSHIP, IN THE SIZE, IN THE NATURE
AND LOCATION OF THE OPERATIONS OF THE ENTERPRISES CONCERNED.
UNLESS OTHERWISE SPECIFIED, THE WORD "MULTINATIONAL ENTER-
PRISE" IS USED IN THIS TRIPARTITE DECLARATION TO DESIGNATE
THE VARIOUS ENTITIES (PARENT COMPANIES OR LOCAL ENTITIES OR BOTH
OR THE ORGANISATION AS A WHOLE) ACCORDING TO THE DISTRIBUTION OF
RESPONSIBILITIES AMONG THEM, IN THE EXPECTATION THAT THEY WILL
CO-OPERATE AND PROVIDE ASSISTANCE TO ONE ANOTHER AS NECESSARY
TO FACILITATE OBSERVANCE OF THE PRINCIPLES LAID DOWN IN THIS
TRIPARTITE DECLARATION.

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7. THIS DECLARATION SETS OUT PRINCIPLES IN THE FIELDS OF EMPLOYMENT AND TRAINING, CONDITIONS OF WLRK AND LIFE AND INDUSTRIAL RELATIONS WHICH GOVERNMENTS, ENTERPRISES AND WORKERS' ORGANISATIONS ARE RECOMMENDED TO OBSERVE ON A VOLUNTARY BASIS; THE DECLARATION SHOULD BE EFFECTIVE WITH RESPOECT OT ALL MULTINATIONAL ENTERPRISES WHETHER THEY ARE OF PUBLIC, MIXED OR PRIVATE OWNERSHIP.

GENERAL POLICIES

8. ALL THE PARTIES CONCERNED BY THIS DECLARATION SHOULD RESPECT THE SOVEREIGN RIGHTS OF STATES, OBSERVE THE RELEVANT NATIONAL LAWS AND REGULATIONS, ABIDE BY LOCAL PRACTICES AND GIVE DUE CONSIDERATION TO RELEVANT INTERNATIONAL STANDARDS. THEY SHOULD KEEP INMIND THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND THE CORRESPONDING INTERNATIONAL COVENANTS ADOPTED BY THE GENERAL ASSEMBLY OF THE UNITED NATIONS AS WELL AS THE CONSTITUTION ON THE INTERNATIONAL LABOUR ORGANISATION AND ITS PRINCIPLES ACCORDING TO WHICH FREEDOM OF EXPRESSION AND ASSOCIATION ARE ESSENTIAL TO SUSTAINED PROGRESS. REFERENCE SHOULD BE MADE FOR GUIDANCE UNCLASSIFIED

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ON SOCIAL POLICIES TO INTERNATIONAL LABOUR CONVENTIONS AND RECOMMENDATIONS, PARTICULARLY TO CONVENTIONS NOS. 87,98,111 AND 122 AND RECOMMENDATIONS NOS. 111,119 AND 122, WHEREVER LEGAO, POLITICAL AND ECONOMIC OCSIDERATIONS PERMIT.

9. GOVERNMENTS WHICH HAVE NOT YET RATIFIED CONVENTIONS NOS. 87 98,111 AND 122 SHOULD BE URGED TO DO SO AND IN ANY EVENT TO APPLY, THORUGH THEIR NATIONAL POLICIES, THE PRINCIPLES EM-BODIED THEREIN. GOVERNMENTS SHOULD ALSO BE URGED TO OBSERVE IN THEIR NATIONAL POLICIES THE PRINCIPLES OF RECOMMENDATIONS NOS. 111,119 AND 122.

10. MULTINATIONAL ENTERPRISES SHOULD TAKE FULLY INTO ACCOUNT ESTABLISHED GENERALPOLICY OBJECTIVES OF THE COUNTRIES IN WHICH THEY OPERATE; THEIR ACTIVITIES SHOULD BE IN HARMONY WITH THE DEVELOPMENT PRIORITIES AND SOCIAL AIMS AND STRUCTURE OF THE HOST COUNTRY. TO THIS EFFECT, CONSULTATIONS SOULD BE HELD BETWEEN MULTINATIONAL ENTERPRISES, THE GOVERNMENT AND, WHEREVER APPROPRIATE, THE NATIONAL EMPLOYERS' AND WORKERS' ORGANISATIONS CONCERNED.

11. THE PRINCIPLES LAID DOWN IN THIS DECLARATION SHOULD NOT AIM AT INTRIDUCING OR MAINTAINING INEQUALITIES OF TREATMENT BETWEEN MULTINATIONAL AND NATIONAL ENTERPRISES; THEY REFLECT GOOD PRACTICE FOR ALL. MULTINATIONAL AND NATIONAL ENTERPRISES SHOULD BE SUBJECT TO THE SAME EXPECTATIONS IN RESPECT OF THEIR CONDUCT IN GENERAL AND THIER SOCIAL PRACTICES IN PARTICULAR WHEREVER THE PRINCIPLES OF THIS DECLARATION ARE RELEVANT TO

BOTH.

12. MULINATIONAL ENTERPRISES AND GOVERNMENTS SHOULD HONOUR COMMITMENTS ENTERED INTO IN CONFIRMITY WITH THE NATIONAL LAW AND ACCEPTED INTERNATIONAL OBLIGATIONS, IN CONNECTION WITH LABOUR ASPECTS OF THE ENTERPRISES' ACTIVITIES.

13. GOVERNMENTS OF HOME COUNTRIES SHOULD TAKE APPROPRIATE
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MEASURES TO PROMOTE GOOD SOCIAL PRACTICE IN ACCORDANCE WITH THIS DECLARATION OF PRINCIPLES, HAVING REGARD TO SOCIAL AND LABOUR LAW, REGULATIONS AND PRACTICES IN HOST COUNTRIES AS WELL AS TO RELEVANT INTERNATIONAL STANDARDS. THEY SHOULD BE PREPARED TO RESPOND CONSTRUCTIVELY TO REQUESTS MADE BY THE HOST COUNTRY GOVERNMENT FOR CONSULTATIONS ON SOCIAL POLICY ASPECTS OF THE OPERATIONS OF MULTINATIONAL ENTERPRISES ORIGINATING IN THEIR COUNTRY.

EMPLOYMENT

EMPLOYMENT PROMOTION

(FORMER PARA. 1)

14. WITH A VIEW TO STIMULATING ECONOMIC GROWTH AND DEVELOPMENT, RAISING LEVELS OF LIVING, MEETING MANPOWER REQUIREMENTS AND OVERCOMING UNEMPLOYMENT AND UNDER-EMPLOYMENT, ALL GOVERNMENTS SHOULD DECLARE AND PURSUE, AS A MAJOR GOAL, AN ACTIVE POLICY DESIGNED TO PROMOTE FULL, PRODUCTIVE AND FREELY-CHOSEN EMPLOYMENT (, IN ACCORDANCE WITH THE PRINCIPLES LAID DOWN IN THE EMPLOYMENT POLICY CONVENTION AND RECOMMENDATION, 1964 (,9. 122)). THIS IS THE FRAMEWORK, WITHIN WHICH DUE ATTENTION SHOULD BE PAID, IN BOTH HOME AND HOST COUNTRIES, TO THE EMPLOYMENT IMPACT OF MULTINATIONAL ENTERPRISES;

(FORMER PARA. 1)

15. THIS IS PARTICULARLY IMPORTANT IN THE CASE OF HOST COUNTRY GOVERNMENTS IN DEVELOPING AREAS OF THE WORLD WHERE THE PROBLEMS OF UNEMPLOYMENT AND UNDER-EMPLOYMENT ARE AT THEIR MOST SERIOUS. IN THIS CONNECTION, THE CONCLUSIONS ADOPTED BY THE TRIPARTITE WORLD CONFERENCE ON EMPLOYMENT, INCOME DISTRIBUTION AND SOCIAL PROGRESS AND THE INTERNATIONAL DIVISION OF LABOUR (GENEVA, JUNE 1976) SHOULD BE KEPT IN MIND.

(FORMER PARA. 2)

16. MULTINATIONAL ENTERPRISES, PARTICULARLY WHEN OPERATING IN DEVELOPING COUNTRIES, SHOULD MAKE A MAJOR EFFORT TO INCREASE EMPLOYMENT OPPORTUNITIES, TAKING INTO ACCOUNT THE EMPLOYMENT POLICIES AND OBJECTIVES OF THE GOVERNMENTS, AS WELL AS THE
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SECURITY OF EMPLOYMENT IN THE LIGHT OF THE LONGTERM INTERESTS
OF THE ENTERPRISE.

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(FORMER PARA. 3)

17. BEFORE STARTING OPERATIONS, MULTINATIONAL ENTERPRISES
SHOULD CONSULT THE COMPETENT AUTHORITIES AND, WHEREEVER
APPROPRIATE, THE NATIONAL EMPLOYERS' AND WORKERS' ORGANISATIONS
IN THE HOST COUNTRY IN ORDER TO KEEP THEIR MANPOWER PLANS, AS
FAR AS PRACTICAL, IN HARMONY WITH NATIONAL SOCIAL DEVELOPMENT
POLICIES. THROUGHOUT THE CONDUCT OF THEIR OPERATIONS, SUCH
CONSULTATION SHOULD CONTINUE BETWEEN THE MULTINATIONAL ENTER-
PRISES AND ALL PARTIES CONCERNED, INCLUDING THE WORKERS AND
THEIR ORGANISATIONS.

(FORMER PARA. 4)

18. MULTINATIONAL ENTERPRISES SHOULD GIVE PRIORITY IN
THEIR PERSONNEL POLICY TO THE EMPLOYMENT, DEVELOPMENT AND
PROMOTION OF NATIONALS OF THE HOST COUNTRY AT ALL LEVELS OF
OPERATIONS, IN CO-OPERATION, AS APPROPRIATE, WITH REPRESENTA-
TIVES OF THEIR WORKERS OR THEIR ORGANISATIONS AND GOVERNMENTAL
AUTHORITIES.

(FORMER PARA. 13)

19. MULTINATIONAL ENTERPRISES, WHEN INVESTING IN
DEVELOPING COUNTRIES SHOULD, WHEREVER APPROPRIATE IN
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CONSULTATION WITH THE COMPETENT AUTHORITIES OF THE HOST GOVERNMENT, GIVE PREFERENCE TO TECHNOLOGIES ENSURING EMPLOYMENT-GENERATION, DIRECTLY OR INDIRECTLY, AND EMPLOYMENT STABILITY AND BEST SUITED TO THE CONDITIONS PREVAILING IN THE COUNTRY AND TO THE CHARACTERISTICS OF EACH ECONOMIC SECTOR, IN CONFORMITY WITH THE NATIONAL LEGISLATION AND ECONOMIC DEVELOPMENT PLANS. TO THE MAXIMUM EXTENT FEASIBLE, THEY SHOULD ADAPT TECHNOLOGIES TO THE NEEDS AND CHARACTERISTICS OF THE HOST COUNTRIES. THEY SHOULD ALSO, AS APPROPRIATE, CONTRIBUTE TO RESEARCH INTO AND THE DEVELOPMENT OF, TECHNOLOGY OF THE HOST COUNTRIES.

(FORMER PARA. 14)

20. HOST GOVERNMENTS MAY WISH TO CONSULT WITH RELEVANT UNITED NATIONS AGENCIES AND OTHER COMPETENT INTERNATIONAL BODIES FOR ADVICE ON THE FORM OF TECHNOLOGY TO BE APPLIED WHICH WOULD BE MOST APPROPRIATE TO THEIR STAGE OF DEVELOPMENT, THEIR EMPLOYMENT STRUCTURE AND THEIR NATIONAL RESOURCES.

(FORMER PARA. 15)

21. WHEN MAKING DECISIONS ABOUT SUBCONTRACTING THE PRODUCTION OF PARTS AND MATERIALS, MULTINATIONAL ENTERPRISES OPERATING IN DEVELOPING COUNTRIES SHOULD GIVE CONSIDERATION TO INCREASING THE EMPLOYMENT OPPORTUNITIES IN THE HOST COUNTRY. SUCH SUBCONTRACTING SHOULD NOT BE USED AS A METHOD TO FRUSTRATE THE PRINCIPLES LAID DOWN IN THIS DECLARATION.

EQUALITY OF OPPORTUNITY AND TREATMENT

(FORMER PARA. 5)

22. ALL GOVERNMENTS SHOULD PURSUE POLICIES DESIGNED TO PROMOTE EQUALITY OF OPPORTUNITY AND TREATMENT IN RESPECT OF EMPLOYMENT, WITH A VIEW TO ELIMINATING ANY DISCRIMINATION BASED ON RACE, COLOUR, SEX, RELIGION, POLITICAL OPINION, NATIONAL EXTRACTION OR SOCIAL ORIGIN. GOVERNMENTS SHOULD NOT COERCE OR ENCOURAGE MULTINATIONAL ENTERPRISES TO DISCRIMINATE IN RECRUITMENT, PLACEMENT, TRAINING OR ADVANCEMENT.

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MENT, BUT THEY MAY SEEK THE COOPERATION OF MULTINATIONAL ENTERPRISES IN PROGRAMMES WHICH ARE DESIGNED TO CORRECT HISTORICAL PATTERNS OF DISCRIMINATION AND PROMOTE GREATER EQUALITY OF EMPLOYMENT OPPORTUNITY.

(FORMER PARA. 6)

23. WITHOUT PREJUDICE TO THE SPECIAL MEASURES ENVISAGED IN PARAGRAPH 18 ABOVE MULTINATIONAL ENTERPRISES SHOULD BASE

THEIR RECRUITMENT, PLACEMENT, TRAINING AND ADVANCEMENT
ON QUALIFICATION, SKILL AND EXPERIENCE WITHOUT DISCRIMINATION,
UNLESS SELECTIVITY IN RESPECT OF EMPLOYEE CHARACTERISTICS IS
IN FURTHERANCE OF ESTABLISHED GOVERNMENTAL POLICIES WHICH
SPECIFICALLY PROMOTE GREATER EQUALITY OF EMPLOYMENT.

(FORMER PARA. 7)

24. WHERE APPROPRIATE, GOVERNMENTS ARE ENCOURAGED TO
PROVIDE GUIDANCE TO MULTINATIONAL ENTERPRISES TO AVOID
DISCRIMINATION IN RESPECT OF EMPLOYMENT.

SECURITY OF EMPLOYMENT

(FORMER PARA.10)

25. GOVERNMENTS SHOULD CAREFULLY STUDY THE IMPACT OF
MULTINATIONAL ENTERPRISES ON EMPLOYMENT IN DIFFERENT
INDUSTRIAL SECTORS. GOVERNMENTS, AS WELL AS MULTINATIONAL
ENTERPRISES THEMSELVES, IN ALL COUNTRIES SHOULD TAKE APPRO-
PRIATE MEASURES TO DEAL WITH THE EMPLOYMENT AND LABOUR MARKET
IMPACTS OF THE OPERATIONS OF MULTINATIONAL ENTERPRISES.

(FORMER PARA. 8)

26. MULTINATIONAL ENTERPRISES EQUALLY WITH NATIONAL
ENTERPRISES, THROUGH ACTIVE MANPOWER PLANNING SHOULD ENDEAVOUR
TO PROVIDE STABLE EMPLOYMENT FOR THEIR EMPLOYEES AND SHOULD

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DEPT OF COMMERCE WASHDC PRIORITY

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PASS BOEKER/EB AND FELDMAN/L; COMMERCE FOR KATZ, ARRILL/
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OBSERVE FREELY-NEGOTIATED OBLIGATIONS CONCERNING EMPLOYMENT STABILITY AND SOCIAL SECURITY. IN VIEW OF THEIR GREATER FLEXIBILITY IN COMPARISON WITH NATIONAL ENTERPRISES, MULTINATIONAL ENTERPRISES SHOULD STRIVE TO ASSUME A LEADING ROLE IN PROMOTING THE SECURITY OF EMPLOYMENT, PARTICULARLY IN COUNTRIES WHERE THE DISCONTINUATION OF OPERATIONS IS LIKELY TO ACCENTUATE LONGTERM UNEMPLOYMENT.

(FORMER PARA.9)

27. IN CONSIDERING CHANGES IN OPERATIONS (INCLUDING THOSE RESULTING FROM MERGERS, TAKE-OVERS OR TRANSFERS OF PRODUCTION) WHICH WOULD HAVE MAJOR EMPLOYMENT EFFECTS, MULTINATIONAL ENTERPRISES SHOULD PROVIDE REASONABLE NOTICE OF SUCH CHANGES TO THE APPROPRIATE GOVERNMENT AUTHORITIES AND REPRESENTATIVES OF THEIR WORKERS IN ORDER THAT THEIR IMPLICATIONS MAY BE EXAMINED JOINTLY WITH A VIEW TO MITIGATING ADVERSE EFFECTS TO UNCLASSIFIED

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THE GREATEST POSSIBLE EXTENT. THIS IS PARTICULARLY IMPORTANT IN THE CASE OF THE CLOSURE OF AN ENTITY INVOLVING COLLECTIVE LAY-OFFS OR DISMISSALS.

(FORMER PARA. 11)

28. ARBITRARY DISMISSAL PROCEDURES SHOULD BE AVOIDED.

(FORMER PARA. 12)

29. GOVERNMENTS IN CO-OPERATION WITH MULTINATIONAL AS WELL AS NATIONAL ENTERPRISES SHOULD PROVIDE SOME FORM OF INCOME PROTECTION FOR WORKERS WHOSE EMPLOYMENT HAS BEEN TERMINATED; SUCH PROTECTION MAY INCLUDE UNEMPLOYMENT INSURANCE OR OTHER FORMS OF SOCIAL SECURITY, OR SEVERANCE ALLOWANCE, OR OTHER TYPES OF SEPARATION BENEFITS PAID FOR BY THE EMPLOYER, OR A COMBINATION OF BENEFITS, IN ACCORDANCE WITH THE HOST COUNTRY LAWS, CUSTOMS AND ANY RELEVANT COLLECTIVE AGREEMENTS.

(FORMER PARA . 18)

30. (GOVERNMENTS, IN COOPERATION WITH EMPLOYERS' AND WORKERS ORGANIZATIONS AND, WHERE APPROPRIATE, OTHER INTERESTED BODIES, SHOULD TO THE GREATEST POSSIBLE EXTENT, ADOPT AND DEVELOP COMPREHENSIVE AND COORDINATED POLICIES AND PROGRAMS OF VOCATIONAL TRAINING AND VOCATIONAL GUIDANCE, CLOSELY LINKED WITH EMPLOYMENT, IN ORDER TO ENCOURAGE AND ENABLE ALL PERSONS, ON AN EQUAL BASIS AND WITHOUT ANY DISCRIMINATION WHATSOEVER, TO DEVELOP AND USE THEIR CAPABILITIES FOR WORK IN THEIR OWN

BEST INTEREST AND IN ACCORDANCE WITH THEIR OWN ASPIRATIONS, ACCOUNT BEING TAKEN OF THE NEEDS OF THE SOCIETY. SUCH POLICIES AND PROGRAMS SHOULD ALSO ENCOURAGE ENTERPRISES, BOTH MULTINATIONAL AND NATIONAL, TO ACCEPT RESPONSIBILITY FOR TRAINING WORKERS IN THEIR EMPLOYMENT. ENTERPRISES SHOULD COOPERATE WITH THE REPRESENTATIVES OF THEIR WORKERS WHEN PLANNING THEIR

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TRAINING PROGRAMS AND SHOULD ENSURE, AS FAR AS POSSIBLE, THAT THESE PROGRAMS ARE IN LINE WITH THOSE OF THE PUBLIC TRAINING SYSTEM. IN EACH COUNTRY THE VOCATIONAL TRAINING SYSTEMS SHOULD BE GRADUALLY EXTENDED, ADAPTED AND HARMONIZED TO MEET THE NEEDS FOR VOCATIONAL TRAINING THROUGHOUT LIFE OF BOTH YOUNG PERSONS AND ADULTS IN ALL SECTORS OF THE ECONOMY AND BRANCHES OF THE ECONOMIC ACTIVITY AND AT ALL LEVELS OF SKILL AND RESPONSIBILITY. THIS IS THE FRAMEWORK WITHIN WHICH MULTINATIONAL AS WELL AS NATIONAL ENTERPRISES SHOULD PURSUE THE TRAINING OF THEIR EMPLOYEES.)

(FORMER PARAS. 16 AND 17)

31. IN THEIR OPERATIONS, MULTINATIONAL ENTERPRISES SHOULD ENSURE THAT RELEVANT TRAINING IS PROVIDED FOR ALL LEVELS OF THEIR EMPLOYEES IN THE HOST COUNTRY, AS APPROPRIATE TO MEET THE NEEDS OF THE ENTERPRISE AS WELL AND THE DEVELOPMENT POLICIES OF THE COUNTRY. SUCH TRAINING SHOULD BE AS BROADLY BASED AS POSSIBLE IN ORDER TO DEVELOP GENERALLY USEFUL SKILLS AND TO PROMOTE CAREER OPPORTUNITIES. THIS RESPONSIBILITY SHOULD BE CARRIED OUT, WHERE APPROPRIATE, IN CO-OPERATION WITH THE AUTHORITIES OF THE COUNTRY, THE EMPLOYERS AND WORKERS AND THEIR RESPECTIVE ORGANIZATIONS AND OTHER INSTITUTIONS CONCERNED, WHETHER LOCAL, NATIONAL OR INTERNATIONAL.

(FORMER PARA. 19)

32. MULTINATIONAL ENTERPRISES OPERATING IN DEVELOPING COUNTRIES SHOULD PARTICIPATE, ALONG WITH NATIONAL COMPANIES, IN PROGRAMMES INCLUDING SPECIAL FUNDS, ENCOURAGED BY HOST GOVERNMENTS AND SUPPORTED BY EMPLOYERS' ORGANISATIONS AND TRADE UNIONS, AND ADMINISTERED BY THE PARTIES CONCERNED, WHICH HAVE THE AIM OF ENCOURAGING SKILL FORMATION AND DEVELOPMENT AS WELL AS PROVIDING VOCATIONAL GUIDANCE. WHEREVER PRACTICABLE, MULTINATIONAL ENTERPRISES SHOULD MAKE THE SERVICES OF SKILLED RESOURCE PERSONNEL AVAILABLE TO HELP IN TRAINING PROGRAMMES

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ORGANISED BY GOVERNMENTS, AS PART OF A CONTRIBUTION TO
NATIONAL DEVELOPMENT IN DEVELOPING COUNTRIES.

(FORMER PARA. 20)

33. MULTINATIONAL ENTERPRISES SHOULD, TO THE EXTENT CONSISTENT
WITH THE EFFICIENT OPERATION OF THE ENTERPRISE, AFFORD OPPOR-
TUNITIES TO BROADEN THE EXPERIENCE OF LOCAL MANAGEMENT WITHIN
THE ENTERPRISE AS A WHOLE.

CONDITIONS OF WORK AND LIFE

(FORMER PARA . 21)

34. WAGES, BENEFITS AND CONDITIONS OF WORK OFFERED BY MULTI-
NATIONAL ENTERPRISES SHOULD BE NOT LESS FAVORABLE THAN THOSE
OFFERED BY GOOD COMPARABLE EMPLOYERS IN THE SAME INDUSTRY OF
LOCALITY.

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BIEPR; TREASURY FOR CLAPP; LABOR FOR AVERY

(FORMER PARA. 22)

35. WHEN MULTINATIONAL ENTERPRISES OPERATE IN DEVELOPING
COUNTRIES, THEY SHOULD PROVIDE THE BEST POSSIBLE WAGES,

BENEFITS AND CONDITIONS OF WORK, WITHIN THE FRAMEWORK OF GOVERNMENT POLICIES AND THE ECONOMIC POSITION OF THE ENTERPRISE, THEREBY ENABLING THE SATISFACTION OF BASIC NEEDS. WHEN THEY PROVIDE THEIR EMPLOYEES WITH BASIC AMENITIES SUCH AS HOUSING, MEDICAL CARE OR FOOD, THESE AMENITIES SHOULD BE OF APPROPRIATE STANDARDS.

(FORMER PARAS 23 AND 24 ARE DELETED)

(FORMER PARA. 25)

36. MULTINATIONAL ENTERPRISES SHOULD MAINTAIN THE HIGHEST POSSIBLE STANDARDS OF SAFETY AND HEALTH IN CONFORMITY WITH NATIONAL REQUIREMENTS AND ACCEPTED INTERNATIONAL STANDARDS, UNCLASSIFIED

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BEARING IN MIND THEIR RELEVANT EXPERIENCE WITHIN THE ENTERPRISE AS A WHOLE. (AS A MINIMUM, THEY SHOULD ABSTAIN FROM AVOIDING COMPLIANCE WITH NATIONAL HEALTH AND SAFETY REGULATIONS BY MEANS OF TRANSFER OF DANGEROUS PROCESSES TO COUNTRIES WHERE THE RELEVANT REGULATIONS ARE INFERIOR OR NON-EXISTENT.) (THEY SHOULD ALSO MAKE KNOWN TO THE APPROPRIATE AUTHORITIES AND ORGANIZATIONS OF THE WORKERS IN ALL COUNTRIES IN WHICH THEY OPERATE THE HIGHEST HEALTH AND SAFETY STANDARDS RELEVANT TO THEIR LOCAL OPERATIONS WHICH THEY OBSERVE IN OTHER COUNTRIES.)

(NEW) 36A. (MULTINATIONAL ENTERPRISES SHOULD OBSERVE THROUGHOUT THEIR OPERATIONS STANDARDS OF HEALTH AND SAFETY DEVELOPED BY THE ILO AND THE WHO SPECIFIED IN ANNEX "X". MULTINATIONAL ENTERPRISES SHOULD COOPERATE WITH THE ILO AND THE WHO IN THE REGULAR REVISION OF THIS ANNEX.)

(FORMER PARA . 26)

37. MULTINATIONAL ENTERPRISES AND COMPARABLE DOMESTIC ENTERPRISES SHOULD BE EXPECTED TO PLAY A LEADING ROLE IN THE EXAMINATION OF CAUSES OF INDUSTRIAL SAFETY AND HEALTH HAZARDS AND IN THE APPLICATION OF RESULTING IMPROVEMENTS WITHIN THE ENTERPRISE AS A WHOLE.

(FORMER PARA. 27)

38. MULTINATIONAL ENTERPRISES SHOULD SUPPORT THE WORK OF INTERNATIONAL ORGANISATIONS CONCERNED WITH THE PREPARATION AND ADOPTION OF INTERNATIONAL SAFETY AND HEALTH STANDARDS.

(FORMER PARA. 28)

39. IN ACCORDANCE WITH NATIONAL PRACTICE, MULTINATIONAL ENTERPRISES SHOULD CO-OPERATE FULLY WITH THE COMPETENT SAFETY AND

HEALTH AUTHORITIES, THE REPRESENTATIVES OF THE WORKERS OR THEIR
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ORGANISATIONS, AND ESTABLISHED SAFETY AND HEALTH ORGANISATIONS.
WHERE APPROPRIATE, MATTERS RELATING TO SAFETY AND HEALTH SHOULD
BE INCORPORATED IN AGREEMENTS WITH UNIONS.

(FORMER PARA. 29)

40. GOVERNMENTS SHOULD ENSURE THAT BOTH MULTINATIONAL AND
DOMESTIC ENTERPRISES PROVIDE ADEQUATE SAFETY AND HEALTH STAND-
ARDS FOR THEIR EMPLOYEES.

INDUSTRIAL RELATIONS

(NEW PARAGRAPH)

41. MULTINATIONAL ENTERPRISES SHOULD OBSERVE STANDARDS OF
INDUSTRIAL RELATIONS NOT LESS FAVOURABLE THAN THOSE OBSERVED
BY COMPARABLE EMPLOYERS IN THE HOST COUNTRY.

FREEDOM OF ASSOCIATION AND THE RIGHT TO ORGANISE

(FORMER PARA. 30)

42. WORKERS EMPLOYED BY MULTINATIONAL ENTERPRISES SHOULD,
IN ACCORDANCE WITH NATIONAL LAWS AND PRACTICES, ENJOY THE RIGHT
TO ESTABLISH AND, SUBJECT ONLY TO THE RULES OF THE ORGANISATION
CONCERNED, TO JOIN ORGANISATIONS OF THEIR OWN CHOOSING WITHOUT
PREVIOUS AUTHORISATION AND TO HAVE REPRESENTATIVE ORGANISATIONS
OF THEIR OWN CHOOSING RECOGNISED FOR THE PURPOSE OF COLLECTIVE
BARGAINING.

(FORMER PARA. 32)

43. WORKERS EMPLOYED BY MULTINATIONAL ENTERPRISES, LIKE
THOSE EMPLOYED BY NATIONAL ENTERPRISES, SHOULD ENJOY ADEQUATE
PROTECTION AGAINST ACTS OF ANTI-UNION DISCRIMINATION IN
RESPECT OF THEIR EMPLOYMENT. (THEIR ORGANISATIONS SHOULD
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BE PROTECTED AGAINST ANY INTERFERENCE BY THE ENTERPRISES OR
THEIR AGENTS IN THEIR ESTABLISHMENT, FUNCTIONING OR ADMINIS-
TRATION, BY FINANCIAL OR OTHER MEANS.)

(FORMER PARA. 31)

44. WHERE APPROPRIATE IN THE LOCAL CIRCUMSTANCES,
MULTINATIONAL ENTERPRISES SHOULD SUPPORT REPRESENTATIVE
EMPLOYERS' ORGANISATIONS.

(NEW PARAGRAPH)

45. WORKERS' AND EMPLOYERS' ORGANISATIONS SHOULD HAVE
THE RIGHT TO ESTABLISH AND JOIN FEDERATIONS AND CONFEDERATIONS
AND ANY SUCH ORGANISATION, FEDERATION OR CONFEDERATION SHOULD
HAVE THE RIGHT TO AFFILIATE WITH INTERNATIONAL ORGANISATIONS
OF WORKERS AND EMPLOYERS.

(NEW PARAGRAPH)

46. WHERE GOVERNMENTS OF HOST COUNTRIES OFFER SPECIAL
INCENTIVES TO ATTRACT FOREIGN INVESTMENT, THESE INCENTIVES
SHOULD NOT INCLUDE ANY LIMITATION OF THE WORKERS' FREEDOM
OF ASSOCIATION AND THE RIGHT TO BARGAIN COLLECTIVELY.

(NEW PARAGRAPH)

47. (MULTINATIONAL ENTERPRISES SHOULD NOT HINDER REPRESENTATIVES OF THE WORKERS EMPLOYED BY DIFFERENT AFFILIATES OF THE SAME MULTINATIONAL ENTERPRISE TO MEET FOR CONSULTATION AND EXCHANGE OF VIEWS AMONG THEMSELVES.)

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BIEPR; TREASURY FOR CLAPP; LABOR FOR AVERY

(NEW PARAGRAPH)

48. (HOME AND HOST COUNTRIES SHOULD NOT RESTRICT THE ENTRY
OF REPRESENTATIVES OF EMPLOYERS' AND WORKERS' ORGANISATIONS
FROM OTHER COUNTRIES AT THE INVITATION OF THE LOCAL OR
NATIONAL ORGANISATIONS CONCERNED FOR THE PURPOSE OF CON-
SULTATION ON MATTERS OF MUTUAL CONCERN.)

COLLECTIVE BARGAINING

(FORMER PARA. 33)

49. MULTINATIONAL ENTERPRISES SHOULD, WITHIN THE FRAME-
WORK OF LAWS, REGULATIONS AND PREVAILING LABOUR REGULATIONS AND
EMPLOYMENT PRACTICES, IN EACH OF THE COUNTRIES IN WHICH THEY
OPERATE, ENGAGE IN CONSTRUCTIVE NEGOTIATIONS, EITHER DIRECTLY
OR THROUGH EMPLOYERS' ORGANISATIONS, WITH THE REPRESENTATIVES
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OF THEIR WORKERS OR THE TRADE UNIONS CONCERNED WITH A VIEW TO
REACHING AGREEMENTS ON WAGES, CONDITIONS OF EMPLOYMENT (AND
OTHER ISSUES WHICH ARE APPROPRIATE IN NATIONAL PRACTICE AND
WHICH SHOULD INCLUDE PROVISIONS FOR THE SETTLEMENT OF DISPUTES
ARISING OVER THE INTERPRETATION AND APPLICATIONS OF COLLECTIVE
AGREEMENTS AND FOR ENSURING MUTUALLY RESPECTED RIGHTS AND
RESPONSIBILITIES).

(FORMER PARA. 34)

50. MULTINATIONAL ENTERPRISES SHOULD PROVIDE WORKERS'
REPRESENTATIVES SUCH FACILITIES AS MAY BE NECESSARY TO ASSIST
THEM IN THEIR DEVELOPMENT OF EFFECTIVE COLLECTIVE AGREEMENTS.

(FORMER PARA. 35)

51. (IN EACH OF THE COUNTRIES IN WHICH THEY OPERATE),
MULTINATIONAL ENTERPRISES SHOULD ENABLE AUTHORISED REPRESENTATIVES OF THE WORKERS TO CONDUCT NEGOTIATIONS ON
COLLECTIVE BARGAINING OR LABOUR-MANAGEMENT RELATIONS ISSUES
WITH REPRESENTATIVES OF MANAGEMENT WHO ARE AUTHORISED TO TAKE
DECISIONS ON THE MATTERS UNDER NEGOTIATION.

(FORMER PARA. 37)

52. MULTINATIONAL ENTERPRISES, IN THE CONTEXT OF BONA FIDE
NEGOTIATIONS WITH THE WORKERS'S REPRESENTATIVES ON CONDITIONS OF

EMPLOYMENT, OR WHILE WORKERS ARE EXERCISING A RIGHT TO ORGANISE, SHOULD NOT THREATEN TO UTILISE A CAPACITY TO TRANSFER THE WHOLE OR PART OF AN OPERATING UNIT FROM THE COUNTRY CONCERNED IN ORDER TO INFLUENCE UNFAIRLY THOSE NEGOTIATIONS OR TO HINDER THE EXERCISE OF A RIGHT TO ORGANISE; (NOR SHOULD THEY TRANSFER WORKERS FROM AFFILIATES IN FOREIGN COUNTRIES WITH A VIEW TO UNDERMINING BONA FIDE NEGOTIATIONS WITH THE WORKERS' REPRESENTATIVES OR THE WORKERS' EXERCISE OF THEIR RIGHT TO ORGANISE.) BONA FIDE NEGOTIATIONS MAY OR MAY NOT

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INCLUDE LABOUR DISPUTES AS PART OF THE PROCESS OF NEGOTIATION, DEPENDING UPON NATIONAL LAW AND PRACTICE.

(FORMER PARA. 38)

53. MULTINATIONAL ENTERPRISES SHOULD PROVIDE WORKERS' REPRESENTATIVES WITH INFORMATION REQUIRED FOR MEANINGFUL NEGOTIATIONS WITH THE ENTITY INVOLVED, AND WHERE THIS ACCORDS WITH LOCAL LAW AND PRACTICES, SHOULD ALSO PROVIDE INFORMATION TO ENABLE THEM TO OBTAIN A TRUE AND FAIR VIEW OF THE PERFORMANCE OF THE ENTITY OR, WHERE APPROPRIATE, OF THE ENTERPRISE AS A WHOLE. (REFERENCE SHOULD BE MADE IN THIS CONNECTION TO ILO RECOMMENDATION (NO. 129) CONCERNING COMMUNICATIONS BETWEEN MANAGEMENT AND WORKERS WITHIN UNDERTAKINGS (1967).)

CONSULTATION

(FORMER PARA. 39)

54. SYSTEMS OF CONSULTATION SHOULD BE DEvised BY MUTUAL AGREEMENT. THERE SHOULD BE PROVISION FOR CONSULTATION BETWEEN EMPLOYERS AND WORKERS AND THEIR REPRESENTATIVES WHERE THIS ACCORDS WITH LOCAL LAW AND PRACTICE, ON MATTERS OF MUTUAL CONCERN NOT WITHIN THE SCOPE OF COLLECTIVE BARGAINING MACHINERY, OR NOT NORMALLY DEALT WITH BY OTHER MACHINERY CONCERNED WITH THE DETERMINATION OF TERMS AND CONDITIONS OF EMPLOYMENT.

(NEW PARAGRAPH)

55. INFORMATION SHOULD BE GIVEN AND CONSULTATION SHOULD TAKE PLACE BETWEEN MULTINATIONAL ENTERPRISES AND THE WORKERS AND THEIR ORGANISATIONS BEFORE DECISIONS ON MATTERS OF MAJOR INTEREST TO THE WORKERS ARE TAKEN BY MANAGEMENT, IN SO FAR AS DISCLOSURE OF INFORMATION WILL NOT CAUSE DAMAGE TO

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EITHER PARTY.

EXAMINATION OF GRIEVANCES

(NEW PARAGRAPH)

56. ANY WORKER WHO, ACTING INDIVIDUALLY OR JOINTLY WITH OTHER WORKERS, CONSIDERS THAT HE HAS GROUNDS FOR A GRIEVANCE SHOULD HAVE THE RIGHT TO SUBMIT SUCH GRIEVANCE WITHOUT SUFFERING ANY PREJUDICE WHATSOEVER AS A RESULT, AND TO HAVE SUCH GRIEVANCE EXAMINED PURSUANT TO AN APPROPRIATE PROCEDURE.

(NEW PARAGRAPH)

57. WORKERS ORGANISATIONS OR THE REPRESENTATIVES OF THE WORKERS IN THE UNDERTAKING SHOULD BE ASSOCIATED, WITH EQUAL RIGHTS AND RESPONSIBILITIES, WITH THE EMPLOYERS OR THEIR ORGANISATIONS, PREFERABLY BY WAY OF AGREEMENT, IN THE ESTABLISHMENT AND IMPLEMENTATION OF GRIEVANCE PROCEDURES WITHIN THE UNDERTAKING, IN CONFORMITY WITH NATIONAL LAW OR PRACTICE.

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PASS BOEKER/EB AND FELDMAN/L; COMMERCE FOR KATZ, ARRILL/
BIEPR; TREASURY FOR CLAPP; LABOR FOR AVERY

SETTLEMENT OF INDUSTRIAL DISPUTES

(NEW PARAGRAPH)

58. MULTINATIONAL ENTERPRISES JOINTLY WITH THEIR WORKERS AND THEIR REPRESENTATIVES AND ORGANISATIONS SHOULD SEEK TO ESTABLISH VOLUNTARY CONCILIATION MACHINERY, APPROPRIATE TO NATIONAL CONDITIONS, WHICH MAY INCLUDE PROVISIONS FOR VOLUNTARY ARBITRATION, TO ASSIST IN THE PREVENTION AND SETTLEMENT OF INDUSTRIAL DISPUTES BETWEEN EMPLOYERS AND WORKERS. THE VOLUNTARY CONCILIATION MACHINERY SHOULD INCLUDE EQUAL REPRESENTATION OF EMPLOYERS AND WORKERS.

ADDITIONAL PROPOSALS SUBMITTED BY THE WORKERS DELEGATION NOT INCLUDED IN TEXT

9A. (WHERE COLLECTIVE REDUNDANCIES ARE CONTEMPLATED, MULTI-UNCLASSIFIED

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NATIONAL ENTERPRISES SHOULD BEGIN CONSULTATIONS WITH WORKERS AND THEIR REPRESENTATIVES WITH A VIEW TO REACHING AGREEMENT ON AVOIDING SUCH REDUNDANCIES OR, IF UNAVOIDABLE, ON REDUCING THE NUMBER OF WORKERS AFFECTED, AND MITIGATING THE CONSEQUENCES FOR THOSE WHOSE REDUNDANCY IS ABSOLUTELY IMPERATIVE. THE EMPLOYER SHOULD SUPPLY WORKERS' REPRESENTATIVES WITH RELEVANT INFORMATION CONCERNING COLLECTIVE REDUNDANCIES : (I) THE REASON FOR REDUNDANCIES; (II) STEPS TAKEN TO AVOID THEM; (III) THE NUMBERS OF WORKERS INVOLVED; (IV) THE PERIOD OVER WHICH REDUNDANCIES WILL BE PHASED. EMPLOYERS SHOULD ALSO PROVIDE THE COMPETENT PUBLIC AUTHORITY WITH THE ABOVE INFORMATION. PROJECTED COLLECTIVE REDUNDANCIES NOTIFIED TO THE PUBLIC AUTHORITIES AND UNION REPRESENTATIVES SHOULD NOT TAKE PLACE EARLIER THAN THREE MONTHS AFTER WRITTEN NOTIFICATION HAS BEEN MADE TO PUBLIC AUTHORITIES AND UNIONS. THE PERIOD REFERRED TO ABOVE SHOULD BE USED BY ALL PARTIES CONCERNED (EMPLOYERS, UNIONS, AND PUBLIC AUTHORITIES) TO AVOID COLLECTIVE REDUNDANCIES AND, IF UNAVOIDABLE, TO FIND SOLUTIONS TO THE RESULTING PROBLEMS.)

9B. (WHEN MULTINATIONAL ENTERPRISES TAKE PART IN MERGERS OR TAKE-OVERS THEY SHOULD ASSUME THE OBLIGATIONS OF THE EMPLOYERS VIS-A-VIS THE PERSONNEL OF THE FIRM TAKEN OVER OR ABSORBED. IN PARTICULAR, COLLECTIVE AGREEMENTS SIGNED BY THE ORIGINAL EMPLOYERS AS WELL AS PENSION RIGHTS SHOULD BE HONoured BY THEIR SUCCESSORS. THE CHANGE IN OWNERSHIP OF THE FIRM SHOULD NOT BY ITSELF JUSTIFY REDUNDANCIES. IF

REDUNDANCIES ARE FELT TO BE IMPERATIVE AS A RESULT OF REORGANISATION THE NEW EMPLOYER MUST PROVE THE REALITY OF SUCH REORGANISATION, IN WHICH CASE THE ABOVE CLAUSES ON COLLECTIVE DISMISSALS SHOULD APPLY. IF TRADE UNION REPRESENTATIVES CONSIDER THAT CHANGES IN OWNERSHIP RESULTING FROM MERGERS AND TAKE-OVERS ADVERSELY AFFECT THE INTERESTS OF EMPLOYEES, THE TRANSFERER AND TRANSFEREE SHOULD, AT THE REQUEST OF THE TRADE UNION REPRESENTATIVE, NEGOTIATE WITH

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THEM WITH A VIEW TO SECURING AGREEMENT ON MEASURES FOR THE BENEFIT OF SUCH EMPLOYEES.)

12A. (FIRMS INVESTING ABROAD SHOULD ESTABLISH A FUND TO INSURE THEIR EMPLOYEES IN DEVELOPING COUNTRIES AGAINST SUBSEQUENT CLOSURES, AND HENCE UNEMPLOYMENT. THE PREMIUMS PAYABLE BY THE FIRMS FOR THIS PURPOSE SHOULD BE SIMILAR TO EXISTING ONES, E.G., TO COVER THE RISKS OF EXPROPRIATION, WAR AND TRANSFER, I.E., 1/2 TO 1 PERCENT OF CAPITAL INVESTED.)

12B. (WHEN A MULTINATIONAL ENTERPRISE CLOSES DOWN OPERATIONS IN A PARTICULAR COUNTRY AND TRANSFERS PART OR WHOLE OF IT TO ANOTHER COUNTRY, AND FAILS TO MEET ITS SOCIAL AND LEGAL OBLIGATIONS OR COLLECTIVE AGREEMENTS, GOVERNMENTS OF THE COUNTRIES CONCERNED SHOULD CONSULT AND CO-OPERATE WITH A VIEW TO ENCOURAGING THE MULTINATIONAL ENTERPRISE IN QUESTION TO MEET SUCH OBLIGATIONS.)

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